

# Lowell Retirement Board

Approved January 16, 2003

The Board believes that attendance at and participation in educational conferences and seminars which address issues related to the Board's fiduciary duty and administrative responsibility for the management of the retirement system are an integral part of being a Board Member and employee. The Board encourages its members and staff to attend educational conferences and seminars to better serve the members of the retirement system.

## Authorization for Travel and Travel Related Expenses

Any Board Member or staff person who wishes to attend an educational conference or seminar must submit a request in writing to the Board, along with a brief description of the date(s), location and reason for attending the conference or seminar. Upon receiving any travel request, the Board shall place said request on the agenda for the next regularly scheduled Board meeting to be discussed by all Board Members in open session. Any travel-related request must be approved by a majority of the Board Members present at said meeting and shall be reflected in the minutes of the meeting at which the travel request is approved. Any brochures or written materials available regarding the educational conference or seminar, where available, should be attached to any travel request. In situations in which multiple Board Members and/or staff persons attend the same conference or seminar, it is only necessary that the Board be provided with one set of brochures or written materials. Once the Board has voted to permit attendance by a Board Member(s) or staff person(s) at a particular conference or seminar, a brief statement regarding the educational conference or seminar shall be incorporated into the Board's minutes. The Executive Director/Administrator shall have the authority to approve in-state travel to educational conferences or seminars for staff persons.

## Documentation for Reimbursement

Board Members and staff persons shall be reimbursed for expenses incurred which are incidental and necessary to approved travel, provided that for any expense in excess of \$10.00, any request for reimbursement must be accompanied by an original receipt. For expenses less than \$10.00, the Board Member and staff person shall be reimbursed upon submitting a written explanation to the Board as to the reason for incurring said expenses, and certifying that said expenses were necessary and incidental to the approved travel. Reimbursement shall be made only to the person who actually made payment for the expense, and any request for reimbursement shall be signed under the pains and penalties of perjury. Board Members and staff persons must submit any and all receipts for reimbursement not later than forty-five (45) days after returning from Board-related travel. Unless otherwise approved by the Board, no reimbursement shall be paid for receipts submitted beyond the forty-five day period for expenses incurred.

## Travel Arrangements

The Executive Director/Administrator, or his/her designee, shall be responsible for making all travel arrangements for Board Members and staff persons. Notwithstanding the foregoing, a Board Member may arrange for his/her own

travel, provided that the Board, consistent with these regulations, has approved travel. When making travel arrangements, business or government rates, where available, should be secured. In the event that a Board Member or staff person wishes to extend his/her stay beyond that which is authorized by the Board, any additional expenses incurred as a result of the extended stay shall be the responsibility of the Board Member or staff person. If, however, an extended stay results in overall net savings to the retirement system, such a stay may be authorized.

## Transportation

The Board recognizes that various modes of transportation may be utilized dependent upon the destination and the travel habits of the Board Members and staff persons. Board Members and staff persons shall be reimbursed for the cost of transportation as noted herein. Board Members may travel to educational conferences and/or seminars via airline, train, bus or personal automobile. When traveling by airline, the Board Member or staff person must book the lowest fare available, which shall not require more than one stop each way, which shall not require the Board Member or staff person to make more than one scheduled transfer between airplanes during any such trip and which shall have reasonable departure and arrival times. When traveling by personal automobile, the Board Member or staff person shall be reimbursed for mileage consistent with approved Internal Revenue Service regulations; provided, however, that if the cost for airline transportation and/or rental car, where appropriate, is less than the cost of the reimbursement for mileage, the Board Member's or staff person's reimbursement shall be limited to the cost of airline transportation and/or rental car. Payment of airline club memberships by the Board is strictly prohibited.

The Board shall determine, on a case-by-case basis, whether a rental car is necessary and incidental to any particular Board-related travel. Any rental cars utilized must be from a national rental agency. The Executive Director/Administrator, or his/her designee, or the Board Member, as the case may be, shall negotiate the rental rate for said car. The Board shall reimburse the Board Member and/or staff person at the so-called "mid-size" vehicle rate, although the Board Member and/or staff person may upgrade the vehicle at his/her own expense. The Board Member and/or staff person shall accept the optional insurance coverage for any rental vehicle, and he/she shall be reimbursed for said expense. Any motor vehicle accidents which occur while using a rental car on Board-approved travel must be reported as soon as practicable and in writing to the proper authorities. Copies of any reports and/or documents filed in relation to said motor vehicle accident must also be filed with the Board. The Board Member and/or staff person is personally responsible for any fines or other expenses related to traffic violations associated with Board travel. All reasonable parking fees and tolls associated with Board-related travel shall be reimbursed.

## Lodging

All reservations for hotel accommodations should be made in advance, utilizing the single person, standard room rate. If the Board Member or staff person is traveling with another person, any increase in cost for accommodations associated with the additional person shall not be borne by the Board. The

Board shall not reimburse the cost for any extended stay beyond that which is authorized. In a situation in which the cost for lodging is part of the registration fee for a conference or educational seminar, then the Board will not reimburse a Board Member or staff person for lodging. If the cost of lodging is separate and distinct from the registration fee for the conference or seminar, the Board shall reimburse the Board Member and/or staff person for the cost of said lodging at the standard room rate. If the Board Member and/or staff person elects alternative lodging at a site not designated by the conference or seminar, the Board shall reimburse the Board Member and/or staff person in an amount not to exceed the daily standard rate as incorporated in the registration fee.

## Meals

Board Members and staff persons who attend educational seminars and/or conferences shall be reimbursed for the cost of meals upon production of the appropriate receipts. The maximum daily reimbursable amount for meals shall not exceed \$75.00. If Board-related travel is to a high-cost location, the Board may review, on a case-by-case basis, any request for reimbursement beyond the \$75.00 limit, and may reimburse Board Members and staff persons, at its sole discretion, for daily meal expenditures in excess of \$75.00. In no event shall any Board Member or staff person be reimbursed for the cost of alcoholic beverages. If reimbursement for meal expenses are sought by a Board Member or staff person for the payment of a meal of a third party or parties related to a business meeting, the individual or individuals must be identified along with their affiliation. Such third-party reimbursement for meals shall only be authorized in a situation in which the meal was part of a business meeting.

In a situation in which the cost of meals are included as part of the registration fee for a conference or seminar, a Board Member or staff person shall not be reimbursed for meals which are part of said package. The Board recognizes that certain educational conferences and/or seminars include the cost of some, but not all, meals. In this situation, a Board Member or staff person shall be reimbursed as identified in the preceding paragraph for meals not included in the registration fee.

## Miscellaneous Expenses

A Board Member or staff person may seek reimbursement for miscellaneous expenses included but not limited to gratuities paid in accordance with local custom, telephone expenses limited to Board or business related calls, one personal telephone call per day, internet connections, charges for faxing and costs associated with the reproduction of documents. With respect to the one personal call per day limit, a Board Member or staff person who needs to utilize the telephone for an emergency related to an immediate family member may be reimbursed, at the Board's sole discretion, for additional calls. For the purpose of the preceding sentence, an "immediate family member" shall be limited to the grandparent, parent, spouse, child or sibling of the Board Member or staff person seeking the reimbursement. A Board Member or staff person shall not be reimbursed for personal expenses associated with travel, such as in-room movies, mini-bar charges, gym fees, entertainment or recreational expenses, laundry and drying cleaning or any payments for personal services except in such circumstances as the Board deems appropriate and necessary.

## Cash Advances / Per Diem

Board Members and/or staff persons shall not receive any cash advances or preset per diem payments associated with anticipated travel-related expenses.

## Board Credit Card

The Board may obtain a credit card, which may be used for the payment of approved travel-related expenses such as transportation, lodging and meals. The Executive Director/Administrator, or his/her designee, or an authorized Board Member, as the case may be, may use the credit card to make reservations regarding Board-related transportation and/or lodging. Board Members and/or staff persons are authorized to use the credit card to pay for approved travel-related expenses while attending an educational conference or seminar, and must produce receipts pertaining to said credit card usage within thirty days of returning from said educational conference or seminar. The Board Member or staff person must immediately reimburse all charges that appear on the credit card monthly statement attributable to the Board Member's or staff person's usage of said credit card while attending the educational conference or seminar that are not accompanied by the appropriate receipts. A Board credit card shall not be used for any other purpose except as described herein.

## Personal Travel Combined with Board Related Travel

Any personal travel by a Board Member or staff person, which is combined, with Board-related travel must be clearly identified and paid for by the Board Member or staff person who undertakes said travel. Travel expenses incurred by any individual, other than an approved Board Member or staff person, who accompanies the Board Member or staff person shall be considered personal travel and in no event shall be reimbursed by the Board. As previously noted in these regulations, if the combination of personal travel and Board-related travel result in a net savings to the Board, due to a cost reduction in either transportation or lodging, then the costs of transportation and/or lodging associated with said personal travel shall be reimbursed by the Board.

## Payments or Reimbursements for Expenses by Third Parties

A Board Member or staff person is strictly prohibited from accepting or receiving anything of substantial value either directly or indirectly from any person, firm, partnership or other entity which may be reasonably expected to seek to do business with or is seeking to do business with or presently is doing business with the Board or any person, firm or other entity that solicits or makes referrals or which may be reasonably expected to solicit or make referrals of any client on behalf of such a person, firm, partnership or other entity.

**Any undocumented, unapproved and nonconforming expenses will be rejected and adjusted.**

If a Board Member or staff person has been invited to speak at an educational conference or seminar, and it is the common practice of the educational conference or seminar to have outside speakers address the conference or seminar attendees, and if the presentation by the Board Member or staff person is in connection with their respective positions and is intended to significantly

contribute to the conference or seminar, and the presentation by the Board Member or staff person is formally scheduled to appear on Board approves said travel, then the Board may accept reimbursements from a third party to cover the necessary travel-related costs of such speaking engagements. A Board Member or staff person may not receive an honorarium or any other form of compensation for speaking at an educational conference or seminar.

### **Due Diligence Travel**

The Board recognizes that as a fiduciary as defined in M.G.L. c. 32, § 1, Board Members are required to discharge their duties for the exclusive purpose of providing benefits to members and their beneficiaries with the care, skill, prudence and diligence under circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the system so as to minimize risk of large losses unless under the circumstances it is clearly prudent not to do so. To that end, the Board recognizes that from time to time, Board Members may need to travel to observe the operation of a particular entity in which the Board has invested, or to ascertain whether a current or prospective investment in a particular entity is or continues to be prudent under the circumstances. In situations in which such travel is deemed appropriate by the Board, a Board Member or Members shall be reimbursed by for travel-related expenses incurred as a result of such due diligence, provided that the process for approval of said travel has been followed as identified herein and all travel-related expenses are submitted to the Board with the appropriate receipts and documentation.

### **Violation of Travel Regulations**

Any person or entity that violates the Board's Supplemental Travel Regulations shall be deemed to have violated the provisions of 840 CMR 17.00 and shall be subject to removal as a qualified investment manager or consultant pursuant to 840 CMR 17.04(10). Any person or entity that has violated the Board's Supplemental Travel Regulations shall not be granted an exemption by the Public Employee Retirement Administration Commission pursuant to 840 CMR 19.02 or a qualification pursuant to 840 CMR 26.04.